



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

M/047/022

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June 9, 2003

Mr. Dan O'Leary
Crown Asphalt Ridge, LLC
150 West Jefferson, Suite 1700
Detroit, Michigan 48226

Re: Revised Map of Disturbed Area; Crown Asphalt Corporation and Uintah County; Asphalt Ridge Mine, M/047/032 and M/047/022, and Release of Exploration Project, E/047/047, Uintah County, Utah

Dear Mr. O'Leary:

Thank you for the revised surface facilities map which the Division received May 14, 2003. Although this map is a significant step in resolving some of the questions the Division has previously raised, there are some ambiguities on the map that need to be explained.

The following clarifications need to be made on the map received May 14, 2003:

1. The reclaimed area has the same cross hatching as the disturbed area. Do the acreage figures for the disturbed areas (total, Uintah County, and Crown) include the reclaimed area? Since the reclaimed area is being released, the acreage figures should not include the reclaimed area. The road through the reclaimed area up to the mine still needs to be included in the disturbed area.
2. The collection pond just to the southeast of the reclaimed area is not cross hatched indicating it was not counted as part of the disturbed area. Is this how the acreage calculations were made? This pond is still being used as part of the mine's drainage control system and needs to be included as disturbed area.
3. The Crown extraction facility is not cross hatched in the same way as the rest of the disturbed area. Was the acreage for this area included as part of the acreage for the entire disturbed area (122.7 acres)?
4. It was my understanding during our meeting on April 11, 2003, that the entire area near the flare stack would be the responsibility of Crown Asphalt Ridge, and the lack of blue speckling on the map would indicate it is not the county's responsibility. Is this correct? This area is labeled "Crown Asphalt Lease" on the map. How is the acreage for this area accounted for? It does not appear to be included in the disturbed area acreage for either

Page 2

Crown Asphalt Corporation, Asphalt Ridge Mine

M/047/032

June 9, 2003

Crown (because the acreage for Crown is either in the processing plant or in Section 31) or the county (since it does not have blue speckling), yet it may be included in the total.

The report for the inspection Doug Jensen and I did on April 11, 2003, indicates the Division could release the reclaimed areas we examined, but we did not send a letter specifically releasing those areas. For this reason, you may not have had the information you needed for calculating acreages, and we apologize for this oversight. By this letter, the Division releases the reclaimed areas to the north and west of the collection pond from further reclamation responsibilities.

Release of Exploration Notice of Intention E/047/047

All of the exploration sites shown in exploration notice of intention E/047/047 are shown on the new map as being within the current mine disturbed area; however, the map shows three additional sites outside the mine disturbance and not included with the exploration notice. On May 23, 2003, I went to the mine and used the map to search for these sites. Marty Miller and I found site CB-3 and another site in the general vicinity of A-3, but we did not find A-4. Site CB-3 has been adequately reclaimed. Site A-3 has been mostly reclaimed, but there was an uncased hole that needed to be filled. I understand this hole has now been filled. The vegetation and grading on this site are adequate, so this site can also be released.

On June 3, 2003, I spoke with Everett Unruh about the exploration sites. He indicated there is another exploration hole very near the south end of the mine. He faxed a photo showing the location of this site, and it is within the mine disturbed area.

Because all of the sites associated with E/047/047 appear to have been either adequately reclaimed or are within the permitted mine disturbed area, the Division hereby releases you from further obligations with regard to this notice with the following condition. *If exploration sites associated with this notice are found in the future, you will be required to fulfill any reclamation or other mitigation on these sites that would normally be required.*

The reason for this condition is some uncertainty whether all of the exploration sites are plotted correctly on the map and whether they are actually within the mine disturbed area. As Mr. Miller and I were searching for site CB-3, we found a piece of lath marked PDH5. This was about 1000 feet from where the site is shown on the map, so it raised some questions about the map accuracy. This lath was in an undisturbed area, and I do not know of any other disturbances with this exploration project, but the condition is included just in case another disturbance is found.

Permit Transfer and Bond Adjustment

On November 26, 2002, we received transfer applications for the notices of intention for the mine (M/047/032) and the exploration project (E/047/047). You also requested information about how to combine these two notices of intention. We responded on January 27, 2003, and asked for a clarified legal description for the mine. We also indicated we were going to begin a review of the bond and asked you to submit an updated map of the disturbed area.

Page 3

Crown Asphalt Corporation, Asphalt Ridge Mine

M/047/032

June 9, 2003

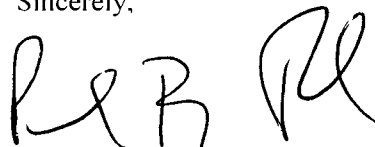
Because we are releasing you from the exploration notice of intention, there should be no need to transfer the notice or to combine it with the notice of intention for the mine.

Both the permit transfer application and the reclamation contract require a legal description, and once the corrections and clarifications have been made on the map you provided, you should be able to simply refer to the map in your legal descriptions. Using the map, we should be able to calculate a revised bond amount. With this amount, you can then get a replacement bond in the name of Crown Asphalt Ridge, LLC, and we should then be able to transfer the permit.

I hope the information in this letter is clear, but please call (801-538-5261) or write if you need any clarification. My e mail address is paulbaker@utah.gov. If necessary, I would be happy to meet with you or your surveyor to discuss the map. Please provide the revised information by July 18, 2003.

Thank you for your cooperation.

Sincerely,

A handwritten signature in black ink, appearing to read 'P. B. Baker', with a stylized flourish at the end.

Paul B. Baker
Senior Reclamation Biologist

jb

cc: Jay Mealey, Crown Asphalt Corporation
Paul Feltch, Uintah County

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June 6, 2003

TO: Minerals File

FROM: Paul Baker, Senior Reclamation Biologist

RE: Site Inspection; Crown Asphalt Corporation and Uintah County; Asphalt Ridge Mine and Exploration; M/047/022, M/047/032, and E/047/047; Uintah County, Utah

Date of Inspection: May 23, 2003

Time of Inspection: 8:30 to 10:40 a.m.

Conditions: Mostly clear, 70's

Participants: Marty Miller and another person whose name I did not record (Crown Asphalt Ridge, LLC); Paul Baker (DOGM)

Purpose of Inspection:

The operator recently submitted a map showing exploration sites not permitted as part of the mine or of any exploration notice of intention of which I am aware. I wanted to see the condition and location of these sites and whether they were actually disturbed.

Observations:

The three sites are shown as being west and south of the mine, and we searched in the areas shown on the map. The first thing we found was a piece of lath marking the location of site PDH5 (Photo 1). It did not appear this area had been disturbed. The map received from the operator on May 14, 2003, indicates this site is within the mine disturbed area, but it was in the undisturbed area about 1000 feet from where it is shown on the map.

In this same general area, we found site CB-3 marked by a labeled piece of lath. It is shown in Photo 2. There is a short section of road leading to the drill hole, and although the road and drill pad do not match surrounding contours, the vegetation is very similar to what is found in adjacent undisturbed areas.

We found one more disturbed exploration site south of the mine, but because the lath at this location was not labeled, we could not determine whether it was site A-3. There was some cheatgrass on the pad at this site, but most of the vegetation was similar to adjacent areas. The drill hole was not cased, and it was covered with a rock. We dropped a few rocks into the hole and decided it had not been filled.

Page 2

Uintah County and Crown Asphalt Corporation, Asphalt Ridge Mine and Exploration
M/047/022, M/047/032, and E/047/047

Report Date: June 6, 2003; Inspection Date: May 23, 2003

We continued searching along the west side of the mine in the area where the map shows site A-4 is located, but we did not find evidence of an exploration hole. I was in an area where terraces had been put on the highwall, and one of the top terraces was showing signs of slumping (Photo 3). I also took photographs of the mine in a panorama (Page 2 of Photo attachment) just to show the current condition.

Conclusions and Recommendations:

The hole that we believe to be A-3 needs to be filled, but this could be done simply with a shovel and some dirt. The dirt might need to be tamped down a bit. Otherwise both this site and CB3 have been reclaimed adequately to be released.

On June 3, 2003, I spoke with Mr. Everett Unruh who told me there is another exploration site near the southwest corner of the mine and faxed me a photograph marking this exploration site. From the information provided, he and I have concluded that this site is within the boundaries of the mine disturbed area.

Because the lath marked PDH5 was so far from where it is marked on the map, I have some concerns about how accurately the other exploration sites are marked on the map. If the exploration notice of intention is released, it should be done with the understanding that there could be unreclaimed sites not shown properly on the map and with the condition that reclamation will be required on any unreclaimed sites that are found in the future.

The slumping bench I found does not create any particular hazards at this time, but reclamation on this portion of the highwall should not be considered complete since the slope is not stable.

jb

cc: Jay Mealey, Crown Asphalt Corporation
Dan O'Leary, Crown Asphalt Ridge, LLC
Paul Feltch, Uintah County

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ATTACHMENT

Inspection Date: May 23, 2003; Report Date: June 6, 2003

Photographs

M/047/022, M/047/032 and E/047/047; Asphalt Ridge Mine; Uintah County and Crown Asphalt Corporation



Photo 1. Lath labeled PDH5 found in an undisturbed area southwest of the mine.



Photo 3. Looking down from near the top of a partially reclaimed highwall in Section 30. Note the slumping.



Photo 2. Road leading to exploration site CB-3. Vegetation in the disturbed area is similar to adjacent areas.

Page 2

M/047/022, M/047/032, and E/047/047

Asphalt Ridge Mine and Exploration

Inspection Date: May 30, 2003; Report Date: June 6, 2003

The pictures on this page form a panorama starting with upper left, upper right, lower left, and lower right.

